

US EPA ARCHIVE DOCUMENT

**Part 1 Synopsis of Accomplishments during the Reporting Period**

July 6	Ecology staff attend one day training on boiler and steam system efficiency. This expands our technical assistance capability to provide low or no cost environmental opportunities for facilities.
July 8	Lynn meets with Pierce County Economy and Environment Study taskforce to provide information on detailed technical assistance. We find that the group is more focused on commercial businesses than manufacturers.
July 21	Hugh meets with Michael Johnson, owner of a small engineering consulting firm, to discuss potential collaboration on L&G projects. Michael is familiar with the Lean and Environment grant, has consulted for Impact Washington, and is in a position to keep an eye out for potential Lean and Environment (L&E) projects.
August 8	Ecology's Industrial Section sends letter of introduction on technical assistance, including L&E, to state's largest industries.
August 24	Telecon between Jerry Filbin & Jack Boller (both EPA) and Hugh O'Neill and Lynn Coleman (both Ecology) on improving quarterly reports to include information helpful to other parties interested in trying a L&G partnership.
On-going	Two potential project referrals received.
On-going	Impact Washington to film and produce short videos on previous L&E projects to help with marketing.
Communication	MEP and state staff, Soraya and Lynn, continue regular check in to share information.

**Part 2 – Narrative Discussion**Project referrals

We received two potential project referrals from Ecology staff during this period. One facility (Heath Tecna) manufactures interior components for aircraft. The other facility is an aerosol can manufacturer (Westech Aerosols) who plans to rearrange its production line to address fire hazard and solvent handling issues. Initial site visits are scheduled for October.

Ecology also identified two facilities with large amounts of metal wastes that we would like to approach.

This quarter we contacted the largest industries in the state via a letter from the regulatory staff that they normally work with. To date, we received no referrals from this effort.

It's worth noting that referrals came from people or entities we know on more than just a passing basis. This quarter, we contacted the largest industries in the state via letter and previously have contacted various groups. But referrals came from people who know us or are familiar with the regulatory agency's technical assistance. This is an important concept for anyone contemplating this type of public/private partnership. There must be trust and a good understanding of the regulatory agency's abilities and role, or agency staff won't even get in the door. More on this below.

### Barriers to our work

Finding projects continues to be the greatest barrier for this project. Contributing factors include:

1. Facility concern about state agency staff and potential enforcement or regulatory issues. MEP staff tell us that companies want to make sure they have EVERY compliance issue in line before allowing state staff into a facility. We also hear directly from some companies that have worked with us, that they initially felt some or a lot of trepidation in inviting state staff into the facility.
2. Economic uncertainty. This project started during hard and uncertain economic times and companies have pulled back on all but required expenses. We are often told no capital or other expenses will be approved unless it's critical to production or legal issues.
3. Cost/benefit of lean and environment work is not obvious initially. It's often unclear, initially, for both the company and outside staff what the environmental benefits will be and whether it's worth going through lean methods. Environmental costs tend to be a small percentage of a company's perceived operating costs and not the focus for most companies. Unless a company has a clear "environmental pain"; it takes careful questioning or actually starting a project to identify environmental opportunities.

Some detailed technical assistance projects turn out to be "home runs" in terms of reduced hazardous substance use, better waste management, and dollars saved. Others turn out to have smaller benefits. It's difficult to determine initially where a project will end up as far as environmental benefit.

4. State and MEP staff have new, competing demands on their time. State staff have been assigned several new tasks over the last year. For example, we have direction from our management to focus on reducing lead, cadmium, mercury, and chromium when we work with companies. As a result of this and other workload, key staff spent less time in the last 6 months marketing for new L&E projects. The Washington MEP was recently awarded a large Department of Labor (DOL) grant to work on retraining displaced workers. As a result of this and other work coming in, key MEP staff had less time to market for L&E. The DOL grant was for \$1 million+ while the L&E contract with the MEP is \$60,000.
5. Ecology originally narrowed the field of potential facilities to the ones generating mercury, cadmium, lead or chromium wastes.

We have done the following to address these concerns.

1. Enforcement concerns.

- Washington law limits technical assistance staff's enforcement authority. We recently prepared a handout on this for our MEP partners to share with companies they visit. The handout describes the limitations and lists specific staff that operate under this authority.
- Our MEP partners talk with companies about their experiences with state staff and describe our technical assistance focus. The message can be more compelling since it's coming from the MEPs. This was one of the original reasons for this public/private partnership.

2. Economic uncertainty.

- We recently increased the percent cost share we will provide to 80% to appeal to more companies. The amount is based on input from MEP and Ecology staff who have asked companies what it would take financially to get them to commit.

3. Cost/benefit of lean and green work is not obvious initially.

- We are changing the title and focus of our success stories to frame the business pain issue and solution. For example, "Metal manufacturer decreases waste management costs through better waste segregation." We hope that highlighting common problems and solutions will speak to more industries than simply providing the name of the company and a generic comment on environmental improvement.
- Impact Washington to develop short videos on the benefits of L&E work. Focus will be 3 previous projects as case studies.

4. Competing priorities for staff time.

- Lynn recently worked with her supervisor and will delete one or two activities to make more time for L&E work. Also, one of her other projects is now complete.

5. Narrower field of potential facilities.

- Ecology recently expanded our acceptance criteria to include facilities with environmental benefits other than reducing toxic metals (lead, cadmium, mercury, chromium). While our preference is still to work with large users of those metals, we would fund other projects.

### **Part 3 – Projection of Activities, Accomplishments, and Major Expenditures for Next Quarter Report**

Site visits to check out potential projects

1. Heath Tecna – visit scheduled October 17. Ecology and MEP staff.
2. Westech Aerosols – visit scheduled October 18. Ecology and MEP staff.
3. US Wax and Polymer - TBD (a facility with high use of toxics metals that we would like to work with)
4. Pacific Aerospace - TBD (a facility with high use of toxics metals that we would like to work with)

Marketing

1. Depending on how the site visits turn out, increase number of contacts with agency and other staff (who know our capabilities) to let them know we are looking for additional projects.

### **Part 4 – Financial Report**

See Donna Allen's budget report – separate Excel file. This budget report is for expenditures through 9/30/2011.

Summary = 67% of the grant period has passed and we've spent 26% of the budget.